



News & Views

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Representative

**Janéa
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13th District • 2002 Legislative Report

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INSIDE:

- **Join us at a Town Hall Meeting**
- **Balancing a budget without tax hikes**
- **Giving help to agriculture**

Dear friends,

There's an old adage that when the Legislature is in session, you'd better watch your pocketbook. Unfortunately, this time around it may be less funny than it is true.

Lawmakers are looking to fix our beleaguered state operating budget, now over a billion dollars in the red. They are also looking for ways to invest nearly \$10 billion in proposed transportation improvements. So far the only ideas the governor can come up with are centered around tax increases – not in making government do more with less.

The 2002 legislative session will be a change from the three before it. Two special elections in November gave Democrats a one-vote majority in the House, to go with their one-vote Senate majority and control of the governor's office. They will decide which bills move through the committees and the Legislature. Even though the power-sharing tie is history, we expect it still will take a significant amount of bipartisanship to get anything accomplished.

Our priority this session will be to ensure the Legislature's actions are responsible and fair for all of Washington. That means developing policies to attract good-paying jobs to our communities, bring government spending under control, and prevent needless tax increases from burdening working families.

As always, please keep calling, writing and emailing with your thoughts and concerns. As your representatives here in the 13th District, the more we hear from you, the more effective we can be in Olympia.

In your service,

Joyce Mulliken

Janéa Holmquist

Your State Representatives



Budget woes spell trouble for taxpayers

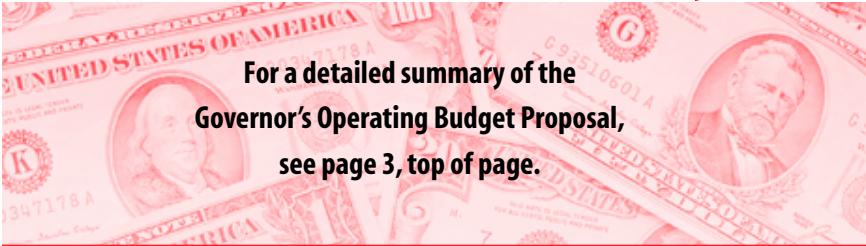
Late last year, the state's economic forecasters gave us the news we had been dreading: Washington is expected to have a shortfall of at least \$1.2 billion in the two-year budget Democrats wrote to pay for state government operations and services. Even if we spent every penny of our state's reserves, we would still be more than \$360 million in the red.

The recession had been taking its toll on state revenues before the Sept. 11 terrorist attacks, and it seems very unlikely that our economy will rebound in time to save the state's budget. As we address this challenge, lawmakers must remember that Washington families are also facing challenges. It would be easy to balance the budget simply by raising taxes, but we don't believe in asking families to pay more when many are worried about their own incomes and dealing with the loss of jobs.

Recognizing that jobs, not taxes, are the path back to prosperity, we also will work to prevent increases in fees, and protect the tax exemptions approved over the past several years to help our job providers keep their doors open. This includes the manufacturing sales tax exemption that has supplied such an economic boost in our area.

We'd like to promise you that critical state services won't be cut, or that taxes won't be raised. Unfortunately, now that Democrats control the legislative process, these are the options being considered.

We will promise, however, to do our very best to work with the Democrats to find an acceptable, responsible solution to the state's budget woes. There's no room for partisan bickering when citizens are counting on lawmakers from both parties to develop a plan that protects taxpayers and citizens who truly need services.



For a detailed summary of the
Governor's Operating Budget Proposal,
see page 3, top of page.

Governor's budget protects state employees instead of vulnerable citizens

The first proposal for correcting the budget shortfall was offered by the governor in December. It calls for cuts in funding or services to disabled citizens, nursing homes, and pharmacists who provide prescription drugs to low-income citizens on Medicaid. It would also raise taxes by \$100 million, despite the governor's assurance that he would avoid tax increases.

But the most discouraging thing about the governor's proposal is what it fails to do: make a serious attempt to reduce the number of state employees. It calls for a net reduction of just 355 employees (less than one half of 1 percent of the 99,300 state FTEs). In fact, it also provides a pay raise for state employees in September.

Among the new employees the governor has proposed to add are 50 auditors with the Department of Revenue (the state equivalent of the IRS) to facilitate more aggressive tax collections in our state.

To us, the governor's approach is backwards. We should be looking for ways to cut bureaucracy and do the least harm to front-line services for those in need. Instead, the governor's plan protects state employees at the expense of the needy and working families.

Lawmakers will be working through this budget in the coming months, and we hope to see a more responsible approach. The state should do what working families do when they fall on tough times – establish priorities, control spending and pay for essential needs. Put the "wants" aside for another day.

The bottom line is the governor's budget plan still spends over a billion dollars more than we'll collect in revenue this biennium. If we want to correct this problem, there's simply no substitute for living within our means. Our state can and must learn to operate a smaller, smarter government that delivers better services at a lower cost to the families and job providers who pay the bills.

For more information on the state budget, contact our offices in Olympia at (360) 786-7808 (Rep. Mulliken), (360) 786-7932 (Rep. Holmquist), or toll-free at (800) 562-6000.

Governor's Operating Budget Proposal • An Overview

Total Revenues:	\$21.374 billion
Total Expenditures:	\$22.530 billion
Difference:	-\$1.156 billion
Ending fund balance:	\$0
Emergency Reserves balance:	\$303 million

Key Budget Cuts

- \$35 million from nursing homes
- \$54 million from higher education
- \$34 million from Medicaid reimbursements for prescription drugs
- \$31 million from state assistance to the disabled
- \$14 million in block grants to K-12 schools

Tax Increases

- 3% liquor tax - \$4.7 million
- 10% gambling tax - \$73.7 million
- Use tax on shipping - \$20 million
- Hydraulic project fees - \$4.3 million
- Hunting & fishing license increase - \$1 million

Improving transportation: Keeping highways safe & people & products moving

The 2001 legislative session ended without a change in the state gas tax, but it wasn't for lack of trying on the part of many lawmakers – most of them from urban areas in our state. There was a great deal of pressure to adopt a tax package. However, negotiations broke down over the summer, leaving some critical projects throughout the state without funding.

The Legislature will be back at the drawing board this session to try to solve the state's transportation needs. In the meantime, the governor already has dusted off the same plan rejected by lawmakers last year, which includes big tax increases:

- 9-cent-per-gallon gas tax increase
- 12-cent-per-gallon increase on diesel
- Increased sales tax on car purchases
- Increased weight fees on trucks and RVs
- \$50 license registration fee

Aside from the fact that lawmakers didn't like this plan last time it came before us, the governor has alienated many communities by threatening to pull funding for projects if their local lawmakers don't vote for his plan. This tactic, which disappointed lawmakers from both parties, is an attack on our representative form of government. If the governor's plan came up for a vote, and we voted no because our constituents don't want new transportation taxes, he would punish our district because we sided with our constituents and against him!

That kind of political extortion is divisive at a time when we need collaboration. He should be looking to bring people together to solve this statewide issue. Which is why we also are insisting that you have the final say on any new tax package. The voters have made it clear that they want a voice in these tax decisions, and yet now the governor is rejecting the idea of putting his tax plan to a vote of the people.

We understand the need to invest in projects that will reduce traffic congestion in the Puget Sound area, partly because they would help get Central Washington's agricultural products to market. However, we also understand that all regions in our state need safer more efficient highways, for a variety of reasons, and that families have many priorities that must be weighed before we decide to raise taxes.



We'd like to hear from you

Because this is an election year, the law prohibits us from sending you more than two House-sponsored mailings between now and November. This newsletter is the first of our mailings for the year. The second will go out after the 2002 regular session.

However, the law does allow us to communicate and correspond with constituents who contact us with questions or requests for information regarding specific issues. This, of course, is part of our job as your state representatives.

Please take a few minutes to read this letter, and if you have questions regarding issues addressed here or any other issues that arise as the 2002 session moves forward, call us or send us a detailed message of your request, and we will be happy to reply.

We will be working from our Olympia offices during the 2002 legislative session, so please contact us at the Capitol over the next few months with your questions and concerns regarding legislative matters. Also, if you're having trouble dealing with state government agencies, we may be able to help you. It's our privilege to serve you, as well as represent you.



Comments or questions:

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Give growers and property owners the help they deserve

Communities across Washington are being reminded what it's like to go through a recession, after years of economic prosperity. They're now experiencing what farming communities in Central Washington have struggled through for several years, as commodity prices have crashed and production costs have risen.

During these tough economic times, it's as important as ever to make certain we have an economic climate that is prosperous and keeps people employed. In recent years we have focused a great deal on tax reforms that make Wash-



ington a better place to do business. However, there is much room for improvement in our regulatory climate. Regulations cost money just like taxes do, and that's an important consideration when it comes to attracting jobs to our communities. As Ranking Republican on the House Local Government and Housing Committee, Rep. Mulliken will continue to work on issues related to a pair of the most onerous regulations: the Growth Management Act and Shorelines Management Act.

Unfortunately, recent remarks by the governor in Yakima tell us he fully intends to let the state's costly new ergonomics standards go into effect this year. Also, although a ruling last year invalidated part of the state's new shoreline regulations, we expect state regulators will again do their utmost to infringe on private property rights. Any of these would be enough of a burden on growers and processors; together they will be devastating to our local economy, which depends heavily on our workforce and our land base.

Legislators need to understand that agriculture provides more jobs than any other industry in the state. We can't do much about commodity prices, but we can and should do everything possible to help reduce the regulatory costs for growers and processors.

Keep water policy improvements flowing

For many years Central Washington had a strong voice in the debate over water resource management, thanks to the hard work and dedication of former Rep. Gary Chandler. We are committed to continuing that tradition as our state works to more effectively meet the water needs of people, farms, fish, businesses and governments.

The 2001 session brought long-awaited breakthroughs in water policy. That momentum has continued through the efforts of the Joint Executive-Legislative Water Policy Group, an unprecedented partnership of legislators, the governor's office and the Department of Ecology.

Using information obtained from stakeholders statewide, the group has been drafting legislation centered on four issues: funding for water infrastructure, such as storage facilities; protection of water rights; community water needs; and instream flows (the minimum flows or water levels required in a river or stream).

Rep. Holmquist has been named to the House Agriculture and Ecology Committee, which will review any water legislation that comes before the House this year. We will work with legislators from other areas that are particularly water-dependent to keep water policy on state government's front burner until all the needed policy changes are made.





Please join us at a Town Hall Meeting

Please join us at one of the upcoming town hall meetings throughout the 13th District. These meetings are open to all and there is no cost or reservations required. We'd just like to hear your ideas and concerns.

Friday, Feb. 22 • 7:30-8:30pm

**Hal Holmes Community Center
201 N. Ruby, Ellensburg**

Saturday, Feb. 23 • 7:30-8:30pm

**Moses Lake Fire Department
701 E. Third Ave., Moses Lake**

Hope to see you there!

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